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Joint Comments on SB 350 Barriers Recommendations 20161028

Additional submitted attachment is included below.

October 28, 2016

Alana Mathews
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814
VIA E-MAIL

**Re: Comments on the draft of the SB 350 Low-Income Barriers Study Recommendations
16-OIR-02**

Dear Ms. Mathews:

On behalf of the community, labor and employer organizations below, we respectively submit comments on the SB 350 Low-Income Barriers Study Recommendations draft issued on October 21, 2016. Among SB 350's goals is an effort to ensure all Californians, especially those in the most vulnerable communities, benefit from the state's clean energy transformation. That should include greater economic equity through *both* job quality (i.e. family-sustaining, career-track jobs) *and* job access (i.e. job training and inclusion efforts).

Generally, the workforce related recommendations look promising, but could benefit from additional detail and direction. Ensuring those from disadvantaged communities and low-income households get access to quality jobs requires incorporation of all three of the below:

- **Contractor and workforce standards** in energy-related program requirements to help ensure investments produce good jobs and quality workmanship. This should include a responsible contractor policy that sets:
 - Apprenticeship standards for all apprenticeable occupations, those that are generally in the construction sector, and
 - Relevant certifications and family-sustaining wage standards for other occupations
- **Strong workforce inclusion requirements** in individual agency programs, through requirements, incentives or inducements, including targeted local hire goals for workers from disadvantaged communities and low income households and individuals facing barriers to employment, that account for the needs of workers from disadvantaged communities.
- **Successful pathways** for residents from low-income and disadvantaged communities into and through programs with demonstrated track record of success in recruiting, training and placing workers in good jobs. This includes:
 - Pre-apprentice and apprentice programs that prepare workers from disadvantaged communities for construction trades and related work, and
 - Other appropriate workforce education and training programs, including community colleges and relevant certification programs, that lead to good, career-track jobs.

We thank the Energy Commission staff for issuing the draft recommendations and for taking into consideration our earlier comments. We offer the following additional comments on the draft Recommendations:

Recommendation 5 (program performance metrics) should include tracking program employment impacts. Job tracking allows agencies to generate reliable data and measure direct job outcomes from public investments. Using the appropriate metrics and tracking system, job tracking will provide policymakers with the information needed to understand the quantity and quality of jobs being created, and job accessibility for workers from disadvantaged communities and individuals facing barriers to

employment. Accurate and comprehensive jobs data will help shape specific goals and metrics for jobs and training and help maximize economic benefits for disadvantaged communities.

Recommendation 11 (meeting workforce goals) is a good first step. However, it should expressly link workforce development, training and inclusion requirements with workforce standards and job quality. Recommendation 11 should ensure those from disadvantaged and low-income households get access to family-sustaining, career-track clean energy jobs.

Simply providing disadvantaged workers training is not enough; training must lead to employment opportunities and family-sustaining, career-track jobs. Energy efficiency and renewable energy programs need to reward contractors that support workers of color and workers from low-income and disadvantaged communities through workforce education and training (such as through participation in apprenticeship programs) that lead to good jobs. However, job opportunities for apprentices and apprenticeship program graduates will be limited as long as the vast majority of energy efficiency projects are awarded to lowest-cost contractors who do not invest in their workers and do not support education and training programs.

- In Recommendation 11(a), it is not clear what programs are included in “state-administered low-income programs.” If this is meant to include low-income clean energy programs like the Energy Savings Assistance Program (ESAP) and Single-family/Multifamily Affordable Solar Home programs (SASH, MASH), we would recommend that workforce development requirements not be limited to just low-income programs. ESAP, SASH, MASH and related low-income clean energy programs capture only a fraction of funding spent on clean energy in contrast to California’s market-rate, ratepayer-funded energy efficiency and renewable programs which exceed \$1 billion annually. Recommendation 11(a) should be expanded to also include market-rate clean energy programs.
- Recommendation 11(b) should have clean energy programs require contractors participating in clean energy programs to help ensure both a training/hire requirement for disadvantaged workers as well as good-paying jobs. As noted above, this should include apprenticeship standards for all apprenticeable occupations (those that are generally in the construction sector), and relevant certifications and family-sustaining wage standards for other occupations. To that end, contractor and workforce standards can help ensure the use of quality contractors with a track record of offering adequate and effective education and training, good-paying jobs, and hiring from disadvantaged communities.
- Per Recommendation 11(c), community workforce agreements should be the vehicle for incorporating contractor, workforce and hiring standards.

State-approved apprenticeship programs are particularly effective in helping to deal with the barriers that people from low-income communities and under-represented groups face in attempting to enter into clean energy jobs. Job training and employment opportunities for low-income or disadvantaged communities should be focused on jobs that will create transferrable skills and long-term career employment opportunities. It is not enough to bring someone out of a low-income area and give them a limited set of skills and a job for a few months, or even a few years, and when that industry job is over they go right back to where they started.

Apprenticeship programs are a key way to avoid this. For example, state-approved electrician apprenticeship programs not only teach how to work on solar and energy efficiency projects; they also teach how to work on schools, high-rises and every other aspect of the electrical industry. As a result, if certain industries begin to decline, these trained workers will still have a future in other aspects of the electrical industry.

Underserved and underprivileged community members also face opportunity barriers when they cannot afford to pay high education costs or are in dire need of immediate income to support their families. A person entering a labor and management sponsored, state-approved electrical apprenticeship program has a job as soon as they

become an apprentice. On-the-job training is part of their education from their first days in school. They work about 8,000 hours over the course of their apprenticeship in on-the-job training and about 1,000 hours in classroom training. They graduate a five-year apprenticeship program, which is essentially a college education in the craft that is at least 97% privately funded in California, with a solid career and no debt. This is a way that underserved and underprivileged community members can get an education, training, and a great career, because they earn while they learn and they are paid right from the start. These programs also provide a benefit to society as a whole because they provide pay and benefits at levels where these workers' incomes and healthcare no longer have to be subsidized by taxpayer-funded public subsidies.

We also recommend that the Report address the barriers to energy efficiency that low income communities face when incentives focus solely on low cost services, rather than low cost quality services. While lower costs may increase participation in these types of programs, they won't necessarily increase results. Nor will a myopic focus on costs be particularly helpful in disadvantaged and low-income communities. Numerous studies have shown that the current low bid framework for energy efficiency work has resulted in poor installation outcomes that fail to achieve intended energy savings. Moreover, the low bid framework is antithetical to the goal of leveraging energy efficiency and renewable energy projects into the creation of career pathways for disadvantaged workers. Contractors who invest in their workers training and skill development necessarily have greater costs and thus cannot compete with low-cost bidders who undercut bids by investing as little as possible in labor.

Furthermore, it is the low-cost communities that are least able to suffer poor quality work. Low prices based on little or no training and poor quality workmanship do not help disadvantaged communities. Low-income households can least afford to rectify poor quality work. Moreover, poor quality installation by poorly trained workers does not just result in lost energy savings, it can also create fire and other safety hazards for occupants. The Report should be amended to reflect these concerns.

We want to commend and thank the Energy Commission and staff for their hard work on developing this report and look forward to continued engagement on this issue.

Sincerely,

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¹ The International Brotherhood of Electrical Workers/National Electrical Contractors Association California and Nevada Statewide Labor Management Cooperation Committee represents over 1,000 electrical contractors who employ over 40,000 electrical workers.